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SENSITIVE
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SUBJECT: US COAST GUARD COMMANDANT VISITS POHNPEI, STRESSES FISHERIES
MANAGEMENT

11. (SBU) Summary. U.S. Coast Guard Commandant Thad Allen visited the island of Pohnpei, Federated States of Micronesia (FSM), from July 19 to July 21. Admiral Allen met with FSM President Emanuel Mori and members of his cabinet, members of the FSM Congress, and Australian and Micronesian personnel from the FSM Maritime Surveillance Unit. FSM fisheries dominated the discussions. Revenue derived from fishing licenses may actually impede conservation efforts - since the FSM government relies upon that revenue for most of its general expenditures it allocates very little to maritime surveillance and conservation. It is incumbent upon the country to dedicate a portion of its licensing fees to preserve marine resources. End summary.

MEETING WITH PRESIDENT MORI AND HIS CABINET

12. (SBU) President Mori began the meeting by expressing his extreme gratitude for the Coast Guard's great work. He noted that a relative of his was the subject of a search and rescue attempt by the Guam Coast Guard, albeit an unsuccessful one. The President went on to state that he was very happy with the Shiprider Agreement that allows FSM law enforcement personnel to accompany Coast Guard cutters on patrol. Finally, President Mori expressed his overall satisfaction with the defense and security provisions of the Compact of Free Association between the U.S. and the FSM.

13. (SBU) In reply, Admiral Allen expressed his appreciation for the partnership. The Admiral noted that distant water fishing fleets from as far away as Europe and South America are descending on the FSM's exclusive economic zone (EEZ), posing a real threat to the country's marine resources.

14. (SBU) Foreign Affairs Secretary Lorin Robert brought up the Sasakawa Foundation's willingness to fund improvements to the FSM's maritime surveillance capabilities, but the government still needs to figure out how to use the funding. Admiral Allen suggested that the FSM work with other Pacific Island countries to create a unified maritime surveillance model, one that ensures resource sustainability while preserving national sovereignty. Secretary Robert responded that, under the Niue Treaty, the FSM shares the area's fisheries responsibility with the Republic of the Marshall Islands (RMI) and Palau. A "sub-Niue agreement" is likely the best route to properly share their surveillance assets.

15. (SBU) The meeting ended after Admiral Allen assured his Micronesian hosts that in the event of a natural disaster, the

Coast Guard will respond with resources as they are needed, without regard to immediate reimbursement.

¶6. (SBU) President Mori concluded the meeting rather early, before a number of issues could be discussed. He and the Admiral then exchanged gifts, posed for pictures, and talked informally. It was during this conversation, the Admiral later confided, that the pair discussed the FSM's fishing revenues. Admiral Allen urged President Mori to take out a certain percentage of fishing licensing fees and dedicate that money to a proper surveillance program. President Mori responded that he believes that FSM licensing fees were too low, amounting to only about 5 percent of the total catch value. His government is considering raising those fees, but whether the political will exists to spend any of that on sustainability programs is a different question. The President admitted that his country relies too heavily on fisheries for revenue, and any increase in licensing fees may just go toward general government operations.

AT THE FSM NATIONAL CONGRESS

¶7. (SBU) The Commandant and his party then moved over to the FSM Congress and met with Pohnpeian Senator Dohsis Halbert, Chairman of the Ways and Means Committee, Senator Peter Sitan of Chuuk, and Legislative Counsel Lam Dang. After a brief introduction by the Admiral, Senator Halbert admitted his country's inability to patrol their own EEZ. The Senator looks to the U.S. to cover the area. He worried that maritime surveillance may falter since there are no provisions for such programs in the Amended Compact, a change from the original Compact. The Admiral offered assurances of continued U.S. assistance.

¶8. (SBU) The Admiral then asked if there were stable revenues

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that could support the patrol boats. Senator Halbert replied that while revenues are stable, the increasing cost of fuel cripples the program. His government must find ways to offset price increases. Admiral Allen acknowledged that fuel costs affect surveillance programs all over the world, but the best way to protect an EEZ is to create a continuous presence, to let the world's fishing fleets know that "you are out there." The costs of such a presence should be included in the licensing fees. Senator Sitan pointed out that since the Western and Central Pacific Fisheries Commission also charges fees the FSM government may end up squeezing the fishermen out of business. Admiral Allen stated that he was leaning toward the idea of a regional agreement among all relevant actors and imposing a single fee structure.

¶9. (SBU) Legislative Counsel Lam Dang noted that the FSM is considering the imposition of fishing quotas. However, even he acknowledged the political risks of limiting the current catch, noting that "fish don't vote." He would like to see a separate line item for maritime surveillance under the Compact and noted that the FSM could use all the help they could get. When Admiral Allen pointed out that the International Maritime Organization (IMO) might be a good vehicle to address such issues, Dang replied that the FSM, unlike RMI and Palau, is not an IMO member. In no uncertain terms, Admiral Allen urged the FSM to join the organization as soon as possible.

THE FSM MARITIME SURVEILLANCE PROGRAM

¶10. (SBU) The Commandant ate lunch with a representative of the Australian Embassy, as well as two Australian Maritime Surveillance Unit advisors. Lieutenant Commander Paul Ruhl and Chief Petty Officer Christopher O'Keefe of the Royal Australian Navy, in a program funded by the U.S. and Australia, work with the FSM National Police Maritime Surveillance Unit, offering advice on surveillance techniques and the operation of the Australian-donated patrol boats.

¶11. (SBU) LCDR Ruhl took the lead in explaining the surveillance operations. He noted that the only means to currently oversee the FSM EEZ is through the electronic Vessel Monitoring System

(VMS) and the observer program. LCDR Ruhl noted that sovereignty issues play a big role in the central Pacific. Each country wants to control access to information in their respective EEZs. Thus, his Unit cannot see the VMS of an RMI ship that has slipped over to FSM waters. Admiral Allen acknowledged the problem, noting that every fisherman treats his fishing spots as proprietary information and seeks to limit the disclosure of those locations.

¶12. (SBU) LCDR Ruhl also speculated that the ultimate goal of Australia's assistance, a self-reliant, Micronesian maritime surveillance program patrolling sustainable marine resources, may not be attainable. As long as the FSM government depends on licensing fees for such a large part of its basic income there is little incentive to deter overfishing or divert funds for conservation. Admiral Allen suggested that the FSM should threaten to limit licenses unless compliance improves, perhaps through the use of sunset provisions for all fishing licenses. Even if the FSM government doesn't plan to enforce such provisions, the threat alone could improve the fishing vessels' behavior.

¶13. (SBU) LCDR Ruhl also complained that the New Zealanders are very good at alerting him whenever they pass through the area, but U.S. Navy ships are not so considerate. Admiral Allen pointed out that the U.S. Navy is unique, perhaps the only naval force on earth that does not also have a law enforcement portfolio. Perhaps the presence of Coast Guard personnel on Navy ships passing through the area could give Navy crews a better idea on how to spot illegal fishing vessels.

¶14. (SBU) After lunch, the Admiral traveled to the Pohnpei docks. He met the Micronesian members of the Maritime Surveillance Unit, along with National Police Chief Pius Chotailug and Transnational Crime Unit Advisor Michael Murray of the Australian Federal Police. After a short power point presentation on the Unit's work, the Commandant toured one of the patrol boats, the FSS Palikir. Afterwards, the Admiral and others accompanied LCDR Ruhl on a tour of the harbor in a small

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boat, despite a downpour. "Coast Guard weather," noted the Admiral. Later that evening Admiral Allen attended a reception hosted by Secretary Robert.

CONCLUSION

¶15. (SBU) At the end of the visit it became clear that the FSM's dependence on licensing fees is an impediment to improving their stewardship of marine resources. Government officials hesitate to crack down on shady fishing operations, fearful that any such moves may crimp revenues, income the government uses to fund a wide range of operations. A portion of licensing fees must be set aside to support enforcement efforts. Unless the FSM and other western and central Pacific island nations dedicate resources to improve conservation, "the last profitable fisheries on Earth" may soon become only a memory.

¶16. (U) Post offers its warmest thanks to the Commandant and his staff. The visit was well-appreciated by Micronesian officials and post personnel alike.

¶17. (U) Coast Guard Headquarters - Washington cleared on this message.
DOUGLASSWD